This gold fund returned more than 40 percent in 2010 under Portfolio Manager Tom Winmill. He predicts gold prices will keep rising as investors buy it in search of protection from inflation.

Your August prediction of gold ending 2010 at $1,400 per ounce worked. Where will it end 2011?

At the end of the year, the price we're looking for is $1,600, with an average price of $1,500. I just think that the big trends — U.S. monetary and fiscal policies — are continuing, and those are the biggest drivers for the gold price.

Why is Barrick Gold (ABX) the top holding?
It’s a very high quality mining company, and it has current production. A low-quality management might have a good mine but don’t know what they’re doing and tend to disappoint the market in terms of production or costs. Barrick has surprised several quarters in a row by surpassing (analysts’ expectations) on amount of ounces and cost of ounces.

I noticed when you talk about high quality, you’re talking about operational strength rather than the balance sheet. You try to get the best you can on the balance sheet, but you need to be aware that mining is a capital-intense business, and balance sheets typically look pretty miserable.